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Official Report of Debates (Hansard)

Wednesday 22 February 2017

Journal des débats (Hansard)

Mercredi 22 février 2017

Standing Committee on General Government

Comité permanent des affaires gouvernementales

Burden Reduction Act, 2017

Loi de 2017 sur l'allègement du fardeau réglementaire

Chair: Grant Crack
Clerk: Sylwia Przezdziecki

Président : Grant Crack
Greffière : Sylwia Przezdziecki

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON GENERAL GOVERNMENT

COMITÉ PERMANENT DES AFFAIRES GOUVERNEMENTALES

Wednesday 22 February 2017

Mercredi 22 février 2017

The committee met at 1602 in committee room 2.

ELECTION OF VICE-CHAIR

The Chair (Mr. Grant Crack): Good afternoon, everyone: members of the committee, support staff here, members of the public. I'd like to call the Standing Committee on General Government to order and welcome you all.

We have a little bit of housekeeping to do prior to commencement of the public hearings. As a result of some changes to the composition of the committee, Mr. McDonell is no longer with us, and Mr. Rinaldi. As such, Mr. Rinaldi was Vice-Chair, and it's my duty at this point to entertain a motion for the nomination of a Vice-Chair. Is there anyone who would like to put a motion forward?

M^me^ Nathalie Des Rosiers: Yes. I would like to nominate MPP Colle.

The Chair (Mr. Grant Crack): Madame Des Rosiers, you're nominating Mr. Colle. Thank you very much.

Are there further nominations? There being none, I declare Mr. Colle Vice-Chair.

Mr. Mike Colle: Thank you for the support.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Grant Crack): Also, there is a vacancy now on the subcommittee. Is there anyone interested in putting a forward a motion to fill that vacancy? Mr. McNaughton.

Mr. Monte McNaughton: I move that the following change be made to the membership of the subcommittee on committee business: Ms. Thompson replaces Mr. McDonell.

The Chair (Mr. Grant Crack): Is there any further discussion or nominations? There being none, then I will declare Ms. Thompson as the replacement for Mr. McDonell on the subcommittee of general government.

SUBCOMMITTEE REPORT

The Chair (Mr. Grant Crack): Today we're here to discuss Bill 27, An Act to reduce the regulatory burden on business, and to enact various new Acts and make other amendments and repeals. Today, we are going to go through the public hearing process. We have with us as the first delegation who will be making a presentation for 15—

Mr. Mike Colle: Point of order: Do we not have to do the subcommittee report?

The Chair (Mr. Grant Crack): Oh yes, that's true. My apologies.

Mr. Mike Colle: And do we have a copy of the subcommittee report?

The Chair (Mr. Grant Crack): It's in front of you. So before we get going, I'll go back to the subcommittee. The subcommittee did meet by teleconference on December 19. Are there any questions or comments regarding the report?

Interjection.

The Chair (Mr. Grant Crack): I will need someone to read it into the record.

Mr. Mike Colle: If I can find a copy of it. I don't see it in my notes.

Interjections.

The Chair (Mr. Grant Crack): Ms. Fife has offered, so I'll entertain Ms. Fife. You have the floor.

Ms. Catherine Fife: Your subcommittee on committee business met on Monday, December 19, 2016, to consider the method of proceeding on Bill 27, An Act to reduce the regulatory burden on business, to enact various new Acts and to make other amendments and repeals, and recommends the following:

(1) That the committee hold public hearings on Bill 27 in Toronto at Queen's Park on Wednesday, February 22, Monday, February 27, and Wednesday, March 1, 2017, during its regular meeting times;

(2) That the Clerk of the Committee, in consultation with the Chair, post information regarding the committee's business with respect to Bill 27 once in the Globe and Mail and L'Express newspapers, the week of January 9, 2017;

(3) That the Clerk of the Committee, in consultation with the Chair, post information regarding the committee's business with respect to Bill 27 in English and French on the Ontario parliamentary channel, on the Legislative Assembly website and with the CNW newswire service;

(4) That interested people who wish to be considered to make an oral presentation on Bill 27 should contact the Clerk of the Committee by 4 p.m. on Tuesday, February 14, 2017;

(5) That, following the deadline for receipt of requests to appear on Bill 27, the Clerk of the Committee provide the subcommittee members, by email, with a list of all the potential witnesses who have requested to appear before the committee;

(6) That, if required, each of the subcommittee members provide the Clerk of the Committee with a prioritized list of the witnesses they would like to hear from by 10 a.m. on Thursday, February 16, 2017. These witnesses must be selected from the original list distributed by the Clerk of the Committee;

(7) That if the hearings are not oversubscribed by the deadline for receipt of requests to appear, the Clerk of the Committee continue to schedule witnesses on a first-come, first-served basis until all available time slots are filled;

(8) That the Deputy Minister of Economic Development and Growth be invited to appear before the committee on Wednesday, February 22, 2017, at 4 p.m. to provide a briefing on the bill and that the deputy minister be offered up to 20 minutes for a presentation, followed by 15 minutes for questions by committee members, five minutes per caucus;

(9) That groups and individuals be offered 10 minutes for their presentations, followed by up to nine minutes for questions by committee members, three minutes per caucus;

(10) That the deadline for receipt of written submissions on Bill 27 be 5 p.m. on Wednesday, March 1, 2017;

(11) That the research officer provide the committee with a summary of oral presentations by 5 p.m. on Thursday, March 2, 2017;

(12) That amendments to Bill 27 be filed with the Clerk of the Committee by 12 noon on Friday, March 3, 2017;

(13) That the committee meet on Monday, March 6, and Wednesday, March 8, 2017, during its regular meeting times for clause-by-clause consideration of Bill 27;

(14) That the Clerk of the Committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

The Chair (Mr. Grant Crack): Is there any discussion on the motion to put forward the report of the subcommittee? Mr. Colle?

Mr. Mike Colle: I'm just wondering, since we have a direction from the House subsequent to the subcommittee report, do we have to refer to that direction from the House as we adopt the—or have it an appendage to the subcommittee report?

The Chair (Mr. Grant Crack): Thank you very much for the question. The process that must be followed is that the committee, in so doing, should pass the report of the subcommittee. That would have been the way we would have proceeded, but yesterday there was an order from the House, so as such, the order of the House supersedes the report from the subcommittee. We will proceed today and tomorrow morning at 9 a.m. under the order of the House. I hope that answers your question.

Any further discussion? Mr. Colle?

Mr. Mike Colle: I move adoption of the report.

The Chair (Mr. Grant Crack): Mr. Colle has moved adoption of the report. Those in favour? Those opposed? I declare the subcommittee report dated Monday, December 19, carried.

Again, the order from the House indicates that there are some date changes. As such, just for clarification purposes, we will meet tomorrow at 9 a.m., which changes number (1) in the report of the subcommittee.

BURDEN REDUCTION ACT, 2017

LOI DE 2017 SUR L'ALLÈGEMENT DU FARDEAU RÉGLEMENTAIRE

Consideration of the following bill:

Bill 27, An Act to reduce the regulatory burden on business, to enact various new Acts and to make other amendments and repeals / Projet de loi 27, Loi visant à alléger le fardeau réglementaire des entreprises, à édicter diverses lois et à modifier et abroger d'autres lois.

MINISTRY OF ECONOMIC DEVELOPMENT AND GROWTH

The Chair (Mr. Grant Crack): At this time, before us as a public hearing we have the deputy minister, accompanied by some of his colleagues from the Ministry of Economic Development and Growth. Mr. Gherson will have up to 20 minutes for his presentation, followed by 15 minutes of questions by committee members. I will try to be fair and have five, five and five during the question period.

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All subsequent delegations before this committee will be offered 10 minutes for their presentations, followed by up to nine minutes of questions from the three caucuses, three minutes each.

Having said that, I would like to welcome Mr. Gherson—and is it Mr. Perry with you?

Mr. Giles Gherson: Mr. Perry is with me.

The Chair (Mr. Grant Crack): Mr. Kevin Perry is the assistant deputy minister. We welcome you. The floor is yours, gentlemen. You have up to 20 minutes.

Mr. Giles Gherson: Thank you very much, Chair.

Thank you for the opportunity to speak to you today about the proposed Burden Reduction Act, 2016. During my presentation today, I would like to provide an overview of Bill 27 and highlight some of the larger themes around reducing regulatory burdens and how the proposed changes in the bill fit with key government priorities.

The proposed legislation is intended to foster a smarter regulatory system to help lower business costs and encourage stronger growth while maintaining high

standards of protection, all helping to build a competitive business environment and support investment in Ontario. It is also intended to support and foster an innovative and dynamic business environment in Ontario by reducing regulatory burden and streamlining government interactions with business.

Modernizing the regulatory system is a key part of the government's Business Growth Initiative—one of three pillars, in fact, the others being promoting innovation and the scaling of Ontario-based businesses. The reason that regulatory modernization plays such a large role in the Business Growth Initiative is because outdated, unclear, duplicative or overly prescriptive regulations can impede businesses' ability to grow and compete in a changing economy. I want to be really clear here that this is not about deregulation or about watering down our standards. It's really about lowering costs for business, getting rid of unnecessary regulatory cost, and allowing for the incorporation of modern technologies in regulatory administration. Many of the proposed changes are minor, but taken together they can have a major impact.

Bill 27 is the first of what will become annual business burden reduction bills and will serve as a model as we work to meet that commitment. These annual bills will help us modernize the regulatory system and create an environment that attracts new businesses and improves business performance and therefore promotes business growth.

Bill 27, if passed, would support Ontario ministries in updating legislation to remove unnecessary burdens on business and, in the process, create savings and benefits for both government and external stakeholders. I want to reiterate that the amendments included in the bill, while good for Ontario business, are intended to ensure that necessary environmental, health and safety standards are maintained or improved in Ontario. Eleven ministries proposed legislative amendments for Bill 27 and, in total, their proposals resulted in over 150 amendments to more than 50 statutes. It's expected that savings from these amendments could be significant—in fact, up to $31.5 million.

There is also some considerable cost avoidance that would result from the proposed amendments. For example, our analysis indicates that retaining the industrial exception could result in business cost avoidance of between $118 million and $196 million per year—almost $200 million a year. Another way to look at this is that it guarantees that Ontario manufacturers will not incur hundreds of millions of dollars in new costs were the industrial exception to be removed. As well, a proposed amendment to the Public Lands Act regarding building low-risk structures such as docks and other waterfront structures on public lands without individual authorization could lead to an additional $1 million to $3 million a year in cost avoidance.

A few words on how we got here: The proposed legislative amendments in Bill 27 come from three sources. First was the 2015 fall economic statement. The 2015 fall economic statement introduced the Business Growth Initiative, as I mentioned: our economic innovation strategy to fast-track Ontario's knowledge-based economy by tapping into the creativity, education and skills of Ontarians. As I mentioned, modernizing Ontario's regulatory system is a key pillar of the Business Growth Initiative. We're working to remove regulatory barriers to growth and establish new, modern regulatory practices. Bill 27 is just one of the ways we're doing that.

The 2015 fall economic statement also committed to the implementation of six key regulatory burden reduction measures. Three of these are included in Bill 27.

(1) As I mentioned, retaining the industrial exception in the Professional Engineers Act, allowing businesses to have work performed on their own equipment by technically competent employees rather than professional engineers.

(2) Streamlining environmental approvals so that more business activities can be moved onto the Environmental Activity and Sector Registry, the so-called EASR, which is the online, self-registration system available for certain low-risk activities. This is faster and simpler.

(3) Improving the delivery of superload permits by amending the Highway Traffic Act to allow for non-police escorts to ensure the safe movement of oversized, overweight loads that require traffic control.

The second source for Bill 27 items is ministry requests. Ministries are often ready and willing to consider proposals that might reduce regulatory burden, but then it turns out that these require legislative amendments that aren't large or consequential enough to warrant stand-alone legislation. This is why ministries have requested a routine annual legislative vehicle that would enable them to clean up their various statutes in order to help support an effective regulatory environment for businesses and stakeholders.

The third source is housekeeping or clarification amendments. Bill 27 includes a number of amendments that provide clarification or corrections to statutes. While these amendments, on their own, would not warrant legislation, they are important in ensuring an up-to-date and effective regulatory environment.

Bill 27 aligns with a number of Ontario government initiatives, such as the business law review, open government and, as I mentioned a moment ago, the Business Growth Initiative.

Ontario's business law review was called for in the Ministry of Government and Consumer Services' 2014 mandate letter and was part of the 2015 budget. It is intended to keep Ontario's business laws up to date and to facilitate an efficient market and dynamic business climate.

Open government, launched in 2013, is about creating more open and transparent government, creating opportunities for citizens to weigh in and share information to support progress.

The Business Growth Initiative includes a fortified and expanded Open for Business mandate. It includes initiatives such as the Red Tape Challenge: online, open-platform public consultations focused on specific sectors,

in which Ontarians have an opportunity to identify duplicative, unclear, unnecessary, out-of-date or overly prescriptive regulatory requirements. It makes a case for change. If government can't justify the specific measure, it is obliged to bring forward changes. We have completed red tape challenges in the auto supply and agri-food sectors, and we are now concluding the financial services challenge. Tourism is next.

We have also created a regulatory centre of excellence within the Open for Business division to identify regulatory best practices from around the world and promote them in the province when ministries are considering new regulatory requirements—so can we do it better?

We've launched the Regulatory Modernization Committee, chaired by the secretary of cabinet, to oversee improvements to our existing regulatory environment.

As part of the Business Growth Initiative, government made a commitment to bring forward annual burden reduction legislation. As I mentioned earlier, Bill 27 is the first of these annual bills and will serve as a model for this year and future years. This annual process will ensure that all ministries are aware of the opportunity they have to make regulatory changes without waiting for a full-scale review of regulatory legislation, which can take years to complete. This is particularly important for legislative changes that would have or could have a significant burden reduction impact but aren't worthy of stand-alone legislation. This vehicle would allow ministries to bring forward these changes in a more timely manner to respond to business needs. The last such bill passed was the Open for Business Act, 2010, so some seven years ago.

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Since Bill 27 contains dozens of legislative amendments put forward by several ministries, if passed, there would be varying implementation timelines and requirements specific to the item or lead ministry.

The proposals contained in Bill 27 fall into seven different themes. As we move through, I will provide examples of proposed legislative amendments for each theme. The themes are (1) supporting the use of electronic communications; (2) reducing duplicative requirements; (3) synchronization and what we call "tell us once" approaches; (4) streamlining administrative processes; (5) increasing efficiencies; (6) creating opportunities; and (7) harmonization.

The first theme is "supporting the use of electronic communication." A set of proposed amendments to the Ontario Business Corporations Act fall under this category. In June 2015, the Business Law Advisory Council recommended that the OBCA be amended to take into account technology changes and recent legislative case law developments. These proposed amendments in Bill 27 would respond to those recommendations to eliminate these barriers by (1) easing the quorum requirements for shareholder and board of directors' meetings; (2) allowing directors' meetings to occur in any place unless the corporation's articles or bylaws require otherwise; and (3) facilitating electronic communications between corporations and their shareholders, debt obligation holders, and holders of warrants.

The second theme is "reducing duplicative requirements." It also responds to a recommendation from the Business Law Advisory Council to repeal the Bulk Sales Act. The Bulk Sales Act requires businesses that sell their assets in bulk in order to provide for payment of their trade creditors—i.e., suppliers or landlords—to list all creditors in an affidavit and file notice of the sale in a public register. This adds to the cost of business transactions, as parties frequently must obtain legal advice about the act, obtain an exemption order, or deal with indemnities in the event of a claim post-closing. By repealing this statute, Ontario would join all other Canadian jurisdictions. So an additional subtheme that the repeal of the Bulk Sales Act delivers on is using a national or international standard where possible. We'll come up to another example of that.

Synchronization and "tell us once": The proposed amendments to the Business Regulation Reform Act are a good example of synchronization and "tell us once." The Business Regulation Reform Act is intended to make it easier to start and operate a business in Ontario by simplifying government regulatory requirements, eliminating duplication in procedures, and improving government organizational arrangements. The proposed amendments would make improvements by requiring businesses that previously provided their business number, which is the Canada Revenue Agency, issued business identifier, so any business that previously required their business number during any interaction or registration with a government entity would now provide updates to that information. This would ensure that information in the Ontario business directory remains fully up to date. It also promotes synchronization by enabling delegated administrative authorities and crown corporations to enter into agreements with the Ministry of Government and Consumer Services to integrate their numbering system—or their identity system, if you will—into the single business number system. By ensuring the accuracy of the single business number and widening its use, we will make it easier for businesses to communicate with government and save time spent filling out forms.

The fourth theme is "streamlining processes." Streamlining processes eliminates unnecessary steps for businesses or finds more efficient ways of accomplishing the same policy goal. As I mentioned earlier, in the 2015 fall economic statement, the government committed to making it easier for superloads to travel along Ontario highways. Currently in the Highway Traffic Act, overdimensional loads, known as superloads, require police escort where there is need for intersection or highway control. The proposed amendment eliminates that requirement and allows the minister to designate an authority to direct traffic in such instances.

The next theme is "increasing efficiencies." I'll highlight an example from the Ministry of Environment and Climate Change that speaks to seemingly simple changes

that would have a big impact on day-to-day business. This is a set of amendments to seven statutes that will enable provincial officers to make inquiries using telephone and email for the purposes of determining compliance.

Currently, an inspector from the Ministry of the Environment and Climate Change has to physically travel to a company to get an answer or clarification on a particular item, regardless of how big or small it is. This bill, if passed, would allow inspectors to request information or to seek clarification on specific matters, where appropriate, by phone or email. This would reduce the number of face-to-face meetings required in compliance checks.

The sixth theme is "creating opportunities." Bill 27 creates new opportunities for businesses and promotes cross-border commerce by proposing to enact five new statutes developed by the Uniform Law Conference of Canada to adopt internationally recognized sets of rules affecting cross-border business activities, such as making Ontario a more attractive jurisdiction for international commercial arbitration, allowing businesses to refer their disputes to courts in trusted jurisdictions, and removing barriers to the use of modern electronic communications in transactions. Businesses would have the option of incorporating the standards into contracts, saving them the cost of negotiation over things like which electronic communications are recognized or which country's court would be used to resolve a dispute. These proposed amendments would make it easier for Ontario companies to do business in places like the United States, the UK or Australia, but also for companies from emerging markets in eastern Europe, Africa and southeast Asia to bring jobs, growth and development here to Ontario.

The last theme in the bill is "harmonization." The Protecting Child Performers Act came into force on February 5, 2015. Its purpose is to promote the best interests, protection and well-being of child performers in the recorded entertainment industry and live entertainment industry. Bill 27 proposes to amend the act with respect to overnight travel expenses, the number of hours a child performer may work in a day, rules relating to breaks, and requirements for individualized adult accompaniment. The changes are intended to harmonize the act with current industry practices, which are generally negotiated between employer associations and unions in broadly accepted agreements while maintaining child performer safety.

That's really the conclusion of my remarks today, Chair. Thank you for considering our proposed legislative changes. If you have any questions, I'd be pleased to answer them, or call on my colleagues from other ministries.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate your presentation. We'll start with the official opposition: Mr. McNaughton.

Mr. Monte McNaughton: Excellent. Thank you very much for your presentation. You mentioned a savings of $31.5 million at the beginning of your remarks. Is that government savings?

Mr. Giles Gherson: No, those are attendant on businesses. Those are savings, I believe, that businesses would reap as a result of these administrative changes.

Mr. Monte McNaughton: The reason why I ask is because there have been several third-party studies on regulations. Some say there are 380,000 regulations that Ontario businesses face, costing the economy $14 billion. Can you put a number on the number of regulations that will be cut for businesses? Do you have a specific number?

Mr. Giles Gherson: I wonder if I've got a specific number—from Bill 27?

Mr. Monte McNaughton: Yes.

Mr. Kevin Perry: These are more about the legislative changes.

Mr. Giles Gherson: Yes. These are legislative changes, of which there would be regulatory effects as a result. I don't know if we've got a number or would have a number.

One of the things we're trying to accomplish here is looking for ways to cut the business burden. Often there's a distinction to be drawn between the number of regulations and the number of regulatory requirements. Often, in the past, there has been a kind of focus on the number of regulatory requirements. That is a measure; there's no question about it.

Increasingly at Open for Business in our ministry, we've really been focusing on business burden. It's really the cost attendant to those specific regulatory requirements. It's not so much about the regulation itself as the burden that comes with it. Often you can have the same number of regulatory requirements, but if you fashion them differently, you can have a lower business burden—less impact.

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Mr. Monte McNaughton: And you say the ministry is going to be introducing legislation every year to reduce the regulatory burden?

Mr. Giles Gherson: That's correct.

Mr. Monte McNaughton: Is there an overall goal of the number of regulations you'd like to cut? We've seen in BC, I think it was, that they had a goal of a 30% cut. Is there some sort of number that you'd like to reduce them by?

Mr. Giles Gherson: We've thought a lot about that, and I think the conclusion we've reached, just to follow on from what I was saying earlier, is that it's more meaningful to business to cut business burden rather than just the number of regulations, because some regulatory requirements are fairly innocuous or quite easy to comply with. So just the number isn't really—I think if we go back to Open for Business five, six years ago, we had a focus on the number of regulations. In fact, we did have a target to reduce the number—

Mr. Kevin Perry: By 25%.

Mr. Giles Gherson: —by 25%, which we've reached. Then the question is, you can continue doing that, or is it really more meaningful to look hard at the way we administer our regulatory requirements and to try to do

everything we can to reduce the burden, which is the cost—the time and the cost? So that's our new focus.

Mr. Monte McNaughton: Has the ministry looked at reducing the duplication of regulations between the federal government, provincial government and municipalities? I've toured lots of manufacturers, and that's a big problem that they have. There are all these different rules and regulations from different levels of government. Has your ministry undertaken that initiative?

Mr. Giles Gherson: Yes, we have, in a number of different places. There have been a number of cross-government exercises to reduce the duplicative business burden. One a number of years ago was really a pilot in the London area for the restaurant industry where it was realized that you had three levels of government impacting establishments, often with sort of duplicative regulation. There was an effort made to really harmonize, and it was actually quite a successful pilot. That was one.

A couple of years ago, there was another look at the auto repair sector, where, again, it seemed that there was a fair bit of duplication and a lot of regulatory requirements on that sector, with many different ministries, even from the Ontario government, sending inspectors to those businesses, and that slows everything down. So there was an effort to see how we could harmonize among levels of government and within the government of Ontario among different ministries.

The Chair (Mr. Grant Crack): Twenty seconds.

Mr. Giles Gherson: Those are some of the efforts we've made.

Mr. Monte McNaughton: Ms. Munro.

Mrs. Julia Munro: I have a very brief time and a quick question on the issue around red tape, which is kind of the issue that the average person is most aware of. I wondered, when you were looking at various suggestions on red tape, do you consider the issues around the cost of doing whatever is required by a particular ministry or a particular regulatory burden in terms of how much downtime, how much cost this issue may make on the business?

Mr. Giles Gherson: Yes, we do, and I think you've put your finger on why we've shifted course from a focus so much on the number of regulations—that was the first phase, I think, in Open for Business—now towards trying to scrutinize the cost to businesses of regulatory requirements. One of the reasons, for example, we're moving to—and it's a very obvious one—electronic or telephone reporting, by email or telephone, as opposed to hard copy reports or by having site visits, which is sometimes necessary but not always necessary, is that obviously you can really limit the burden to business if in some cases you can do it in a simpler, easier way.

The Chair (Mr. Grant Crack): Thank you very much. Time is up, and so we'll go to Ms. Fife.

Ms. Catherine Fife: Thank you, Mr. Gherson and Mr. Perry, for coming in and taking us through the act. It's a massive piece of legislation. It's an omnibus piece of legislation, which is most unfortunate, because there are some really good parts in this bill which make sense, and then there are other schedules which cause great concern for us. Every time the government says, "We're modernizing something," because of past experience, it raises a red flag for us as New Democrats, quite honestly.

In particular, I want to raise the issue of schedule 16 under the Ministry of Tourism, Culture and Sport. This is the schedule which amends the Ontario Place Corporation Act to allow the OPC to dispose of land, buildings and structures, or any interest in land, buildings and structures, by sale, lease or otherwise, subject to the approval of LGNC. In the ministry's own explanatory note, you said that this will give the OPC board the ability to consider a range of cultural, entertainment, education, research, corporate and commercial interactions and activities. On this—and I was speaking to Councillor Mike Layton, who has heard from his constituents around concerns. If this were to proceed and the OPC decided to build a structure, lease, sell, dispose of—where would the voices of the public be in that? The concern obviously is that there would be very little public dialogue and that cabinet has final approval as well as the LG. There is concern about this, that the public's voices would be shut out. Can you please speak to this?

Mr. Giles Gherson: I wonder if I might introduce my colleague ADM Rick McKinnell from the Ministry of Culture, Tourism and Sport, who is the ADM for tourism. I think he can speak to this matter.

Ms. Catherine Fife: Sure. Thank you.

Mr. Rick McKinnell: Thank you very much for the question. Let me clarify that the intent of the changes to the powers and objects of the Ontario Place Corp. is to reflect the broader range of uses envisioned by the government's vision for Ontario Place as announced in July 2014. It gives the Ontario Place Corp. similar powers in terms of carrying out those responsibilities as does the Niagara Parks Commission and the St. Lawrence Parks Commission at the current time. I can articulate, too, that there is no intent to sell the property, as has been reported, and that this does provide the ability to go into leases, to maintain, and to construct on the site as part of the vision for Ontario Place.

Ms. Catherine Fife: Specifically, though, to my question: If the board entertains the leasing of a commercial venture on Ontario Place lands, there will be an open and transparent way for the public to voice their concerns or support of any venture going forward? Because that's not in the legislation.

Mr. Rick McKinnell: Anything that Ontario Place Corp. would do would be governed by normal courses of business and practice, as they currently do.

Ms. Catherine Fife: Normal for the Ontario Place Corp., normal for the Ontario Liberal Party, or normal for the government of Ontario? What's "normal" anymore? I don't understand.

Mr. Rick McKinnell: Agencies of our Ministry of Tourism, Culture and Sport.

Ms. Catherine Fife: And that process is clearly outlined on your website so that if a portion of Ontario Place is leased out, people will be able to know that it's happening and be able to voice their concerns?

Mr. Rick McKinnell: I think that's a difficult question to answer. It would depend on the use that is being contemplated, how it is coming about—whether it is through a request for proposals or an environmental assessment process, etc.

Ms. Catherine Fife: Okay. I don't think it should be a difficult question to answer, but I accept the fact that you are where you are on this.

I do need to move on because I only have a very short time. Schedule 2: Is your ministry's opinion that non-engineers doing engineering work has no effect on worker safety, despite research from various sources, including the Professional Engineers of Ontario, who are the regulatory body on this? There's a long history on maintaining the industrial exception in the province of Ontario, which also causes workplace safety concerns for us.

Mr. Giles Gherson: I'm going to ask a colleague, Marcelle Crouse from the Ministry of Labour, to respond to that.

The Chair (Mr. Grant Crack): Very quickly, please. You're actually out of time, so finish up with the answer.

Ms. Marcelle Crouse: Yes, this has been a long-standing issue. This exemption has been in place since 1984. We have looked at the evidence that our engineers—one of whom is here today—we have certainly looked at it. We, in all good faith, cannot conclude that there is a significant correlation between the exemption and injuries and fatalities in the province. In fact, injuries in manufacturing have been going down at quite an impressive rate.

Ms. Catherine Fife: Can you cite your resources for that—

The Chair (Mr. Grant Crack): Thank you very much. I appreciate it. We shall move on to the government side: Ms. Martins.

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Mrs. Cristina Martins: Thank you, Chair, and thank you, Mr. Gherson and Mr. Perry, for being here today and presenting on this bill. I guess you spoke about the necessity to keep the appropriate regulations or that necessary regulatory and health and safety measures are maintained and that they continue to be maintained.

Prior to entering politics, I worked in the pharmaceutical industry, which is highly, highly regulated. It wasn't necessarily the number of regulations that we needed to follow, but just to ensure that we were compliant.

This idea of harmonizing regulations and requirements across all three levels of government is also very interesting because, as you know perhaps from pharma, first to market is usually the market shareholder. We want to continue, here in Ontario, to attract businesses that come from all over the world here to Ontario. We want to ensure that we continue to maintain the businesses we currently have here, making life and their business life that much easier.

You spoke a little bit about the Red Tape Challenge and the burden reduction reports. Perhaps you can just elaborate a little more on how this bill supports other initiatives that the ministry is taking.

Mr. Giles Gherson: Thank you for the question. We've been, over the last number of years, very focused on reducing the business burden. Again, I make that distinction between necessarily the number of regulatory requirements, but really the impact on obligated entities. So this drives us towards this focus on business burden.

Recently, in our ministry, we reorganized and changed somewhat the Open for Business division, expanded it with a view to doing a couple of different things. One: to hold these red tape challenges that I mentioned. These are sequential, open-platform online challenges, sector by sector by sector, where we invite the public and all aspects—all dimensions, really—of that sector to respond to and to tell us where they feel there are unnecessary, duplicative, outmoded or outdated, burdensome regulatory requirements. Anybody in the public who has a view can also participate.

I think I've mentioned we've completed two completely now: one, auto parts, and the other is the agri-food sector. There, we got many, many responses. We're in the process of responding to the agri-food one. We did the auto-supply sector, where we responded to all of the requests where we couldn't justify the existing practice.

It's interesting, because what we found in those is that not only were there specific, often very common-sense proposals and suggestions that we're now following up on, but there were also some really core themes. I mentioned some of them that this bill also supports, which you find is sort of general themes that we ought to be attentive to, as a government. As we frame new regulatory requirements, we should be attentive to some of these themes, so we don't run into the same problems again:

—for example, using digital or electronic forms of reporting as opposed to paper-based or hard copy, which is very burdensome for business, and we're in 2017;

—or a "tell us once," using the single business number in a much more effective way so that you don't have this tombstone data that businesses have to keep supplying to different government entities, which might actually be different and not actually conform to each other. But it also enables the government to have a clearer view of how businesses are performing in this regulatory environment; and

—using international or national standards where they are appropriate, as opposed to constantly thinking about should we have our own made-in-Ontario standard. Often that is appropriate, but sometimes that sort of 2% or 3% better standard or tougher standard is much more burdensome for business because it's completely at variance with what businesses can do when they're operating in other jurisdictions, so it just adds to burden.

Those kinds of themes that we are now using we've gotten out of the Red Tape Challenge, effectively. We're now looking at this bill. We're already working on the 2017 business burden reduction bill and, in our other activities as we counsel ministries across the government

as they're bringing forward new pieces of legislation with regulatory requirements, how they can fashion those regulatory requirements so they conform to those themes.

We've also introduced a new part of the ministry, a centre of excellence on regulatory modernization, which has a mandate to look across other jurisdictions to see what best practices are in other jurisdictions, because sometimes we get stuck in our own way of doing things and it may not be the most effective, it may not be the most modern, and it may not be the least burdensome way of accomplishing the same end.

The Chair (Mr. Grant Crack): We're out of time. I'd like to thank you very much, gentlemen, and support staff who also came before committee this afternoon. Much appreciated.

Mr. Giles Gherson: Thank you very much.

Ms. Catherine Fife: Chair, question?

The Chair (Mr. Grant Crack): Question, Ms. Fife.

Ms. Catherine Fife: Thank you, Chair, and I do appreciate you giving me a few extra minutes here—

The Chair (Mr. Grant Crack): One.

Ms. Catherine Fife: One minute, yes. Well, don't be too generous.

I have a question around process now. Because this process is going to be fast-tracked a little bit, or condensed, if there's still room on the delegation list—because the original report that I read into the record allows for last-minute people to come in—is it possible, if there is room, for us to call us back the deputy minister and the ADM? Because now I have more questions based on my three minutes of questions.

The Chair (Mr. Grant Crack): This is an order from the House. We'll have to proceed today and get everyone in. The longer that we go—I'm worried now that the last delegation is going to be shortened, which wouldn't be fair.

Ms. Catherine Fife: So there is the possibility of flexibility, if there is still room on the delegation list?

The Chair (Mr. Grant Crack): I'll have to ask the Clerk for advice on that, but in the meantime I would like to just continue for now, and we'll get that answer.

Ms. Catherine Fife: Thanks for your consideration.

MR. JOHN R. WOOD

The Chair (Mr. Grant Crack): Next on the agenda we have Mr. John R. Wood. Is Mr. Wood here?

We welcome you, Mr. Wood. You have up to 10 minutes for your presentation, followed by nine minutes of questioning, three from each of the parties. The floor is yours. We welcome you, sir.

Mr. John R. Wood: Thank you. My name is John R. Wood. I'm an Ontario lawyer and I believe in land registration. I'm here to urge the committee at least to remove one change to the Ontario Land Titles Act in the proposed Burden Reduction Act.

Compared to other modern land titles systems, our system has a serious weakness. As I'll explain, Bill 27 proposes to weaken it further.

Our electronic land titles system helps make Ontario a good place in which to live and do business. It serves three essential purposes: For the important rights in land, it allows people to trust in our up-to-date electronic land registers. For those rights, it does away with a need for people to make their own burdensome investigations behind the registers. And it insures people against the risk of any mistakes in the registers.

It's also a public system and different from private title insurance.

Our new electronic land registration system is built on an old land titles system. That replaced an Ontario 40-year rule, and unfortunately, we don't have a good understanding of how either rule works.

I'll start with the land titles insurance. Our land titles system insures people against a very small risk of fraud. This backs up the land titles guarantees. It's a cost, but we shouldn't be degrading our guarantees to reduce this cost.

One key point is that registration fees should cover the cost of the insurance, not the taxpayer.

Another key point is that, if we don't cover this risk, it pushes onto 100% of our users a higher cost of added steps needed to try to deal with the risk.

Of course, we insure people only if they take proper care.

We make about two million registrations a year. Of these, less than 25 may be fraudulent. That's just over 0.001%.

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The government must collect about $150 million a year in registration fees. For all claims, the system might pay less than $2 million a year. That's only around 1.5% of the fees. The system also helps the government to collect land transfer taxes of over $1.5 billion a year. Even if there were a problem with land titles guarantees, we should fix that problem.

Bill 27 would weaken our system's guarantees. Compared to other land titles systems, our guarantees are already worse. We use an outdated doctrine that lawyers call "deferred indefeasibility," which I'll explain. Most land titles systems in Canada and Australia have always used immediate indefeasibility. England has done so for around 100 years. Under this, when you receive a transfer or mortgage and you register it, you're safe. Under deferred indefeasibility, which we have, when you receive a transfer or mortgage, if you register it and if your transfer or mortgage was void, you get nothing.

Our guarantees are contained mainly in three key sections of our act. From its beginning in 1885, our act has guaranteed a right only if the document that was registered was valid and not, for example, where it was forged. Subject to some minor relief, this puts onto people the whole risk of their own documents being void, even where they've taken proper care.

In 2006, we added a set of changes to deal with a fraudulent instrument. We didn't need these changes, because our act already dealt with almost all of what the changes did. In 2006, we also unwisely gave the govern-

ment the power by regulation to add to a list of fraudulent instruments. The act should say what guarantees we give. Tragically, in our leading court decision of Lawrence in 2007, the Ontario Court of Appeal failed even to refer to the key sections.

Bill 27 proposes to push onto people not only the risk of their own documents being void but also of some previous documents being void. In a typical example, a transfer and a new mortgage are completed at the same time. Let's assume that the transfer, as a document, is void for fraud but that the mortgage, as a document, is valid. In a modern system, we would guarantee both, except to the fraudster. In fact, we don't guarantee the transfer, but we do guarantee the mortgage. Under Bill 27, we wouldn't guarantee either. Of course, in the end, buyers would bear the burden of the increased risk to lenders.

People may argue that we need to limit our guarantees in order to protect an existing owner. Here, in fact, compared to many other land titles systems, our system is better. This makes the argument a red herring. A system can protect an existing owner by fairly correcting a mistake where the system has guaranteed a right. Most land titles systems in Canada and Australia don't do this, but the systems in England and Ontario do. However, our 2006 changes, and our leading court cases, show that we don't understand that we protect an existing owner in this way. As a result, we don't need to limit our guarantees in order to protect an existing owner.

I have three final comments. First, in moving us to electronic registration, our people have made a remarkable achievement. However, the huge effort has also hurt the system. The way things have gone with Bill 27 is one example. We need to repair public trust in the system. Second, if the government were to respond to my efforts, at least in part, by withdrawing the change, it would show that we had turned a corner. This would be a credit to the government and to the people who run our system. Finally, I believe that we must do more to protect and support our valuable electronic land registration system.

The Chair (Mr. Grant Crack): Thank you very much, sir. We shall start the line of questioning with Ms. Fife from the third party.

Ms. Catherine Fife: Thank you very much, Mr. Wood, for coming in and raising some very valid concerns as it pertains to this schedule.

First of all, I like the fact that you say you're sorry that we have to listen to you. But this is part of the process, so I'm actually happy that you're here.

You mentioned that our new electronic land registration system is built on an old land titles system that replaced an Ontario 40-year rule, and unfortunately, we don't have a good understanding of how either works. Could you explain that a little bit more for me, or expand on it?

Mr. John R. Wood: Perhaps the main example with respect to the 40-year rule is that we have had, for probably about 20 years, a policy of trying to get rid of people's rights of way. We've had a big discussion about whether people should be required every 40 years to register a notice of claim for their rights of way. The government has taken the position that if people don't, then their rights of way are gone, even if the rights of way are very clearly shown on the register. In my opinion, the policy has been wrong and the interpretation of the law has been wrong.

We've also tried retroactively to amend the legislation to further the policy, and I don't believe that the amendments are either effective or retroactive.

Ms. Catherine Fife: And those rights of way become very emotional for people, and very contentious. The legal costs obviously come into play as well.

Mr. John R. Wood: Yes.

Ms. Catherine Fife: You also mentioned that Bill 27 proposes to push onto people not only the risk of their own documents being void but also of some previous documents being void. So you do applaud the fact that the government has tried to upgrade or strengthen electronic registration, but you say that the platform as a whole, though, is built on a false premise because we haven't figured out the basic rules of engagement around land registration.

Mr. John R. Wood: Yes. It's very unfortunate that we have key sections in the act which, in effect, guarantee a right by actually conferring the right on people. The language, unfortunately, is very brief. It comes from an 1875 English act. It says that when, for example, a transfer is registered, the act confers the ownership on the new owner. The trick is that a transfer is not a document that looks like a transfer; it's a document which has been properly signed by the registered owner. So if the document has been forged, or is under a forged power of attorney, or is in favour of a fictitious person—a person that doesn't exist—the transfer can't be a real transfer. As a document, it's not real.

Unfortunately, when the case came before the Court of Appeal in 2007, these sections were not even mentioned. They lie right at the heart of our land titles system, but they passed the court by. We need to get back, somehow, to what the act actually says.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. We'll move over to the government. Ms. Des Rosiers.

M^me^ Nathalie Des Rosiers: I'll ask a question, and then my colleague—do you want to start?

Mr. Mike Colle: Yes, I can start.

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Mike Colle: Thank you ever so much for this significant input that you've brought forward. I think it's something that's really worth serious consideration. I appreciate your diligence in bringing this forward, and your knowledge. It's really impressive.

I want to ask you two simple layman's questions. In Ontario, it's my understanding that if you buy properties—as you know, shacks are going for $1 million here in Toronto—you don't require a land survey to complete a real estate transaction of $1 million, $2

million or $3 million. So if I buy and sell a house, you don't require to see a survey. Is that true?

Mr. John R. Wood: I believe that is true. It depends on the terms of the offer. If, in your offer, you say that you want a survey, that the seller has to produce one, then you will have to comply with that. But if the person doesn't ask and if there is no survey, then the transfer goes through.

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Mr. Mike Colle: So one is not required?

Mr. John R. Wood: It's not required.

Mr. Mike Colle: Unless you ask. So therefore people are buying $1-million—the biggest investment of their life, and we don't require a survey. I remember telling a minister here that same thing, and he said, "No, that's not true." Anyway, I'll quote you.

The second quick question is about deeds. I've been told, again, that if you buy a $5-million house in Ontario, there's no deed required in the transaction.

Mr. John R. Wood: I'm not sure that's correct. Our legislation says that an electronic deed is equivalent to a paper deed. The entire system is built on filing documents electronically.

Mr. Mike Colle: I've taken up so much time, but I will get back to you maybe in the future on that one.

The Chair (Mr. Grant Crack): You have one minute, and I have to stay close.

M^me^ Nathalie Des Rosiers: Yes. What you're asking us to do is to remove the entire proposed section 5, is that it?

Mr. John R. Wood: Yes.

M^me^ Nathalie Des Rosiers: That's it. That's what I thought. Outside of this, are there any other changes to the Land Titles Act that you feel might reduce the burden on real estate transactions?

Mr. John R. Wood: Ultimately we need to get rid of this doctrine of deferred indefeasibility. That's a big step, and we need to study that and make sure.

M^me^ Nathalie Des Rosiers: I just wanted to make sure that I understood your final ask.

The Chair (Mr. Grant Crack): We'll move to the official opposition: Ms. Munro.

Mrs. Julia Munro: Thank you very much. I'm looking at page 4 of your submission. I wondered if you could give us a bit of a background—I know we don't have much time—on the reference that you make that most land title systems in Canada and Australia don't do this, which is the thing right above that, but the systems in England and Ontario do. Can you give us any sense of why there would be a difference between what was happening in one jurisdiction over the other? Somebody must have seen one of them as better than the other. How is that?

Mr. John R. Wood: In the Australian and the systems that we use in western Canada, we use what they call a Torrens system. There has been a concern under the Torrens system that the guarantee of title is regarded as sacrosanct. The Torrens system doesn't easily allow you to go back, when there has been a mistake, to correct it. In the English system, it has always been realized that if there's a mistake and something has gone wrong, you need to do what is just, rather than follow this rigid enforcement of the guarantee.

In our case, if, for example, someone's property is transferred away from them, and if that mistake were guaranteed so that the new owner had received good title, we can still go back and let the property go back to the original owner. In the Lawrence case, for example, Susan Lawrence's home was transferred away from her and then fraudulently mortgaged. In our system, we would be able to go back and say, "Susan Lawrence, you are still living there and we are going to, in effect, reverse what has happened even if it was guaranteed, and give you your property, which belongs to you."

Mrs. Julia Munro: Thank you very much. I think it's rather important that we understand all that.

The Chair (Mr. Grant Crack): Mr. Wood, we appreciate you coming before committee this afternoon.

Mr. John R. Wood: Thank you, Chair.

The Chair (Mr. Grant Crack): Thank you for your insight.

ONTARIO ENERGY ASSOCIATION

The Chair (Mr. Grant Crack): Next on the agenda we have, from the Ontario Energy Association, the president and chief executive officer: Mr. Vince Brescia, I hope. Brescia?

Mr. Vince Brescia: Yes, that's good enough.

The Chair (Mr. Grant Crack): Very good, sir. We welcome you to the committee this afternoon. You have up to 10 minutes for your presentation, followed by three minutes of questioning from each party. The floor is yours, sir.

Mr. Vince Brescia: Thank you, Mr. Chair. I'll be brief. You introduced who I am.

The Ontario Energy Association represents the breadth of the energy industry in Ontario: about 99% of the gas distributed; 82% of the electricity distributed in the province—wind, solar, storage, demand response, nuclear; you name it. We have everybody in the tent.

I was going to speak, and we came solely to speak, about an issue in Bill 27 related to disconnections, but as you know, earlier today you made my comments moot so I won't be reading from my prepared comments.

I did want to come to relay the main theme that we wanted to relay to you all related to this bill. It's a sensitive matter and one we all care about. We all want to make sure that people don't struggle in the winter in Canada and that they have heat, and who can be against that? However, all three parties, in the way that you have acted in dealing with a proposed policy intervention, have moved to introduce a policy without any consultation with our industry—none; zero.

None of my distributor members have been asked if there are different ways that we can meet this policy, meet your goals, that might have fewer side effects. There may be significant problems from the direction

you have all chosen today. There might be a number of significant unintended consequences from the direction you have chosen.

I just read earlier today that the OEB is going to be implementing the policy by the end of the week, so there will be no meaningful consultation with the OEB either. So you can't say, "Well, yes, we're going to work it out there." It's not going to happen there either.

This is symptomatic, from the OEA's perspective, of the problem with our electricity system. The reason we have a problem with our electricity system in Ontario is because of constant last-minute political interventions. You all have very good intentions, and you're all great people. I have met most of you over the years and worked with you. You work hard to help the people of this province, and I appreciate that, but not in the way that you're going about things in our electricity system. The problem is the constant political intervention in our system. That's really the main message that I wanted to come to relay to the committee, even though it's moot.

I think from our association's perspective, I'm going to use this issue to lay down a marker: It's symptomatic of a much larger problem in our system. There's a frenzied political theatre debate happening around hydro right now, and actually we're quite concerned things are going to get worse, not better, from all the frenzy.

We would have loved to have been consulted. We have ideas. There are a number of things that may be wrong with the approach that's being taken. This may be worse for the people you're trying to help, because we're going to have a wave of disconnections in the spring. A number of people are going to get deeper into debt, and they won't be able to recover, so it may actually increase the number of disconnections that happen in the province.

It doesn't address the underlying affordability problem. The bill decrees, for example, that businesses with huge volumes will be included, not just residential, which wasn't your intention.

I could go on, but it's kind of moot because the decision has been made. There are going to be a number of unintended consequences.

All three parties have indicated your keen interest in keeping costs reduced in the system. You have all said this is the number-one priority of all three parties. This measure will increase the bills for everybody who pays an electricity bill, because the bad debt cost—this happened before. We had legislation like this in 2002-03, and the bad debt doubled before it was taken off, with only a short time. And experience in England shows that it just continues to grow. So bills will go up for those who pay bills as a result of the direction that has been taken.

Just as an example of another consequence, there's something that wasn't thought about. The OEA's members actually don't disconnect. They use disconnection notices to manage bad debt, and they're very useful. We've heard people say we're against even the use of disconnection notices. They use load limiters as a management tool, and that's going to be thrown out the window, from the looks of things. We would have loved to have talked about different ways to try and do what you wanted to do. I'll leave it there.

I want to go back. You know, a few years ago—see if you can guess when this might have been said—someone else in this very room, or maybe next door, speaking to SCFEA, said this:

"I'm not singling out any one political party, but collectively and individually, these government interferences have slowly added to the cost of electricity through programs or policies designed to achieve objectives that were not really related to the delivery of electrical power.

"It's our opinion that if Ontario Hydro is allowed to get back to the basics of wholesale electricity supply, instead of being used as an agent of social policy, we'd all be a lot better off."

That was 1993 and that was Keith Matthews, who was the president of what was then the Municipal Electric Association. Those are prophetic words. I wish they had been taken more to heart at the time.

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But again, I do thank you all for your time. I just wanted to leave that message in response to today's activities and the lack of consultation with those actually involved in dealing with this difficult issue out in the marketplace.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Brescia. Those were very insightful comments and very respectful. We appreciate that.

We'll start with the government side. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Mr. Brescia.

This measure moved into a stand-alone bill this morning, as you have pointed out. It received all-party consent to proceed rapidly. Given this, the government intends to remove this measure from Bill 27. Would it be okay with you if we reflect the concerns that you have raised today with the Ministry of Energy?

Mr. Vince Brescia: By all means. I think time is short, given what I've read today. I think it's all done. The implementation plan is ready. But please do relay those concerns. Thank you.

Ms. Ann Hoggarth: My other question is, do you think there is value in ensuring people aren't disconnected during the coldest part of the year?

Mr. Vince Brescia: By all means. As I said, our members take measures. The OEA's members manage this issue very sensitively using things like load limiters and notices to help encourage payment, but my members actually don't disconnect in the winter. There are a few utilities across the province who don't have that policy, but there might have been different ways we could have got to the same place.

Ms. Ann Hoggarth: Okay. I'm going to turn to my colleague Ms. Des Rosiers.

M^me^ Nathalie Des Rosiers: I wanted to know: Which other ways were you going to propose to the government to deal with this issue?

Mr. Vince Bescia: Well, many of our members use load limiters that can ensure that the heat is maintained. And there is another issue that we don't even know the answer to. This bill just speaks about electricity bills. Really, what you're worried about is electrical heat. Well, this bill now covers all electricity consumers.

M^me^ Nathalie Des Rosiers: But did you have specific suggestions that we could relay in terms of how to improve this?

Mr. Vince Brescia: Yes, we could implement the processes that are run by the OEA's members. If there are utilities not following them, we could have simply had a forum where we got everybody on board in the industry to follow a set of rules with the OEB where everybody accepted we followed the processes that most utilities do: the use of load limiters and not disconnecting in the winter, but not having a publicly announced ban, which will lead to people not paying their bills.

The Chair (Mr. Grant Crack): We'll move to Mr. McNaughton from the official opposition.

Mr. Monte McNaughton: Thank you very much. I appreciated the straight talk. I think that's good. We don't have enough of that around here, in my opinion.

You discussed one unintended consequence. What are the others, or the potential others?

Mr. Vince Brescia: Including businesses when you didn't plan to include businesses. Including students who are leaving when you didn't plan to include students. Increasing the number of disconnections, so there will be an acceleration leading up to the winter as utilities deal with the coming ban zone. Are we going to have to reconnect when someone is disconnected? We haven't discussed that and we don't know what the plan is. The increase in the bills that will be required to pay for the debt that's going to grow as people become aware that they don't have to pay. The inclusion of non-electrical heat.

I could go on, but we're flying blind at the moment. We really don't know what's going to be covered.

Mr. Monte McNaughton: Any early numbers of how this would increase the cost for everybody else?

Mr. Vince Brescia: In 2002-03, the bad debt doubled. That gives you a sense. I don't know what that translates into on the average bill.

The interesting thing was—and we had it in our submission. We don't have a submission, but we had developed a submission as well for the bill. We're not providing it today because it's moot. But in England, they've had an experience with water where they had banned disconnections, and every year the bad debt has skyrocketed. They're up to several billion dollars in bad debt in the jurisdiction that has gone this route with the outright public ban.

Mr. Monte McNaughton: My colleague Julia Munro has a question.

Mrs. Julia Munro: Thank you very much for coming and reminding us where we should be on this, obviously, with consultation.

When you were talking about the debt climbing, it seemed to me that there are some pretty startling numbers when you go and look at the disconnect that has historically been an option—not the first option—and it seems to me that putting people back on is very expensive when the time comes to be able to reconnect all those people you disconnect or who have been disconnected. Obviously there's a point in time where they're going to want to be reconnected. How is that a greater burden now for individuals?

Mr. Vince Brescia: There's a risk. with the direction that you're going. that people will get into such a bad debt situation that they won't be able to recover. Their credit rating will be hampered, which might affect their economic future because that goes against their record. So I have some concerns about that.

I'd also urge a caution on the disconnection numbers that came out publicly. Two of the largest utilities in the province were going through billing-system changes. The data that was in there—and I've talked to the utilities about it—is not reliable on a year-over-year comparison, and this wasn't discussed. The data that was collected was collected for years by the OEB, but it never went public, so it wasn't really treated as data that happens in circumstances by all the utilities. The numbers for some of the utilities—one utility goes from 3,000 in 2013, to 60, and back up to 3,230. There's something wrong with the data. I think we would want to make sure that, if data's going out to the public on what's happening on this issue, everybody agrees it's a good representation in terms of what's happening.

If you look at a stable utility like Toronto Hydro, their disconnections haven't changed year over year. That's probably more reflective of what's going on out there. There hasn't been that much change.

The Chair (Mr. Grant Crack): Ms. Fife?

Ms. Catherine Fife: Your presentation actually highlights some of your concerns going forward, and I have no questions.

Mr. Vince Brescia: Thank you.

The Chair (Mr. Grant Crack): Okay. Thank you very much. We appreciate you coming before committee this afternoon.

We're back on schedule.

PROFESSIONAL ENGINEERS OF ONTARIO

The Chair (Mr. Grant Crack): Next on the agenda we have the Professional Engineers of Ontario. I believe we have Mr. George Comrie, who is the president, and Mr. Gerard McDonald, registrar. I will allow you to introduce the other gentleman.

We welcome you, gentlemen, this afternoon, and we look forward to your presentation of up to 10 minutes, followed by nine minutes of questioning from the three parties. I take it, Mr. Comrie—are you going to commence? Welcome, sir.

Mr. George Comrie: Thank you very much, Mr. Chair, committee members, ladies and gentlemen. Thanks for the opportunity to speak with you today.

My name is George Comrie. I am the elected president of Professional Engineers of Ontario, or PEO for short. PEO is the regulatory and licensing body for Ontario's 85,000 professional engineers and certificate holders. I'm joined today by PEO's registrar, Mr. Gerard McDonald, on my left; Ms. Karen Chan, the past president of the Ontario Society of Professional Engineers; and Mr. Barry Steinberg, who is the CEO of Consulting Engineers of Ontario.

Together, we present a united front in opposition to one specific clause in Bill 27, the Burden Reduction Act, 2016. Specifically, we're asking that section 29 of schedule 2 of Bill 27 be removed. This clause would eliminate the proposed repeal of what is known colloquially as the industrial exception.

PEO was created by an act of this Legislature 95 years ago. Since then, we have faithfully defended the public interest while fulfilling our mandate of regulating and advancing the practice of engineering in the province.

My message for you today is a simple one: Workplace safety in Ontario is being needlessly compromised. PEO is asking for your support to better protect workers in our province. New research has linked at least four incidents of workplace injury and death in Ontario to this legislative exception that allows non-licensed individuals to undertake engineering work—work that should be left to licensed professionals with specialized design and problem-solving skills.

In 2010, the Ontario government rightfully passed legislation in the Open for Business Act to repeal clause 12(3)(a) of the Professional Engineers Act, and that's what's known as the industrial exception. This decision addressed a 30-year safety gap that allowed unlicensed people to carry out engineering work on machinery or equipment in manufacturing.

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The government has, however, since reneged on its promise, first halting proclamation of the repeal then attempting to remove it entirely through the Burden Reduction Act.

As part of this act, the repeal is wrongly referred to as a red tape issue. The government describes red tape as "unclear, outdated, redundant or costly regulatory requirements which may be deemed unnecessary if they do not serve to protect public interests and/or to promote safety."

The issue of repealing the industrial exception simply does not fit this definition. Allow me to explain.

The repeal is not unclear. In fact, the repeal will eliminate confusion regarding engineering activities that have historically required a professional engineer.

The repeal is not outdated. It would actually bring Ontario in line with current Canadian standards, since no other province has this exception.

The repeal is not redundant. Restoring engineering oversight to manufacturing is not a duplication of existing legislation for pre-start health and safety reviews. PEO's research indicates that this legislation has not been entirely effective.

The repeal is not a costly regulatory requirement. PEO conservatively estimates that the maximum impact to industry would only be between $1 million and $1.9 million, as against the immeasurable value of one life saved.

The repeal protects the public interest and promotes safety. Engineers are committed to public safety and are professionally accountable by law. By not repealing the industrial exception, engineering work will continue to be done by unlicensed and unaccountable people—a dangerous and potentially fatal practice.

In short, not requiring engineers to carry out work in this narrow area is not a red tape reduction; it's a significant missed opportunity to protect the public.

PEO faced many barriers while searching for evidence that the industrial exception is causally linked to worker injuries or fatalities in Ontario. Material requested from the Ministry of Labour through a freedom-of-information request was received well past the stipulated deadline, and the process took over a year to complete.

Although the information was not readily forthcoming, our limited review still revealed several incidents of significant concern. Of 833 ministry prosecutions reported in press releases between 2005 and 2015, 91 incidents related to manufacturing sites, and 50 cases included an equipment design or modification that resulted in a worker injury or fatality.

There is also evidence that inadequate engineering work was at the source of several injuries and fatalities. In at least four cases, critical engineering work was completed by unlicensed employees, with disastrous results. Each of these four cases was prosecuted under the Occupational Health and Safety Act—four disastrous incidents, including two tragic deaths. And there are likely more incidents that we weren't able to uncover, given the lack of assistance.

The government introduced pre-start health and safety review legislation in 2000. Commonly referred to as PSRs, it was thought that this partial measure could take the place of having a professional engineer involved in the design of new and modified production machinery. I am here today to tell you that PSRs do not provide sufficient oversight. As part of its research, PEO discovered 28 instances of discrepancies in PSR compliance. This included a fatality from an equipment hazard that would have been identified had the required PSR been completed. Under the current industrial exception, equipment can be introduced to production without involving an engineer to review the selection of suitable equipment. PSRs only occur after the design process is completed. Potentially serious design issues may not be evident during a review at this stage. Having engineers involved up front in equipment design would address this risk.

Repealing the industrial exception is not a partisan issue but one of good public policy. In our recent briefings with members of this committee, many of you have commented that our position seemed to make sense, and asked where the opposition to the repeal of the industrial exception comes from. It's our firm belief that pressure

from large US multinational firms wishing to skirt provincial regulatory oversight is at the heart of the issue. Make no mistake; the US has a very different professional regulatory model, one which favours court action to rectify past mistakes and compensate victims. Our Canadian model, on the other hand, promotes proactive design by competent professionals to avoid costly errors or oversights. I ask you: Do we really want the disciples of US President Trump to impose on us their laissez-faire regulatory model that favours litigation over prevention?

I trust you don't share the opinion of Minister Duguid, who, during the November 15 second reading debate on the Burden Reduction Act, stated, "This is the most boring bill ever." PEO doesn't think that public safety concerns are boring. nor, I'm sure, do the families of these victims, nor do the companies that must bear the burden of fines for their oversights.

PEO has received support on this issue from several major companies with large engineering workforces, such as Bruce Power, COM DEV and Vale, all of whom have instituted voluntary compliance with the repeal to improve workplace safety in their operations.

In conclusion, I remind you that PEO's concern is not with the entire piece of legislation—only one small section of it. We're all in favour of eliminating real red tape. As protectors of the public interest in matters concerning engineering, I ask that you give yourselves time to make the right decision. The clause to repeal the industrial exception can still be proclaimed any time up to 2020, but if the Burden Reduction Act is passed with this clause intact, work will have to start anew to reintroduce that change.

As many of you know, we've been working very hard with the government to strengthen our diligence with respect to protecting the public interest. According to all accounts, we're doing a good job. Now we're being asked to turn a blind eye to one specific area of practice. We can't do this without letting the public know that we will not be protecting them.

It took us 30 years to get here. Now is not the time to further impede public safety. I look forward to your questions.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it. We'll start with Mr. McNaughton from the official opposition.

Mr. Monte McNaughton: Great. Thanks for presenting here today. I just wondered if you could summarize the consultation process that happened over the last number of years. This has been an ongoing issue for your organization for the past six or seven years, by the look of it. Prior to, at least, Bill 27, was there a consultative process that happened between the government and your organization?

Mr. Gerard McDonald: In short, no. We found out about the introduction of the elimination of the repeal the night before the fall economic statement of 2015. We were quite taken by surprise and very dismayed at the lack of consultation in deciding to eliminate the repeal.

Mr. Monte McNaughton: Secondly, about an hour ago, the ministry was here, and they said that the cost of this to, I'm assuming they were talking about the business community, was $200 million. Your number is between $1 million and $1.9 million. Why such a huge difference in dollar amounts that the ministry is talking about versus PEO?

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Mr. George Comrie: We have no idea where that particular number came from. It has been attributed to some of the large manufacturing concerns that I mentioned earlier. But I don't believe that anybody has ever seen any defence of those particular numbers. We're certainly prepared to defend ours, but I don't believe that it's possible to defend numbers on the scale that they're talking about.

You have to remember that most of these large companies employ engineers who could take responsibility for this work.

Mr. Monte McNaughton: Ultimately, who would be responsible for work being done by unlicensed employees in these companies? What would happen if this wasn't—

Mr. George Comrie: The intention—and I believe this was really the intention of the act when this was written in, back in 1984—was that professional engineers would in fact take responsibility for the work. But the interpretation that has prevailed in industry is, "As long as the work is being done in industry, you don't need a licence to do it, and nobody licensed has to sign off on it or approve it." So what is in fact being done in many cases is, the work is being done by folks with various degrees of technical skill. Sometimes they're tool-and-die makers; sometimes they're technicians, etc. Of course, our position is that a licensed professional engineer should take responsibility for the work. That doesn't mean that he or she has to do all of it, but there's a sign-off that's intended.

The Chair (Mr. Grant Crack): We'll move to Ms. Fife from the NDP.

Ms. Catherine Fife: I'll pick up where my colleagues left off. There's a duty that professional engineers have, under the college, to sign off on specific safety measures. Is that correct?

Mr. Gerard McDonald: Our code of ethics is quite clear that the primary responsibility for the engineer is to protect the public interest. That is first and foremost in their minds. It's above any economic gain of the organization. It's above any orders that come from senior management. The public safety must be protected at all costs.

Ms. Catherine Fife: Earlier, I did ask the ministry—I didn't have a lot of time, which was unfortunate, but I did ask the ministry staff on this issue. I asked specifically, "Is it the ministry's opinion that non-engineers doing engineering work has no effect on worker safety?" The response that I received was that it was not significant.

Has the ministry been able to give you any data to support that it's not significant?

Mr. Gerard McDonald: In a word, no. We've asked the question. It's easy to say that we don't have any data

that there's a demonstrated link between safety and the use of an engineer. But if you don't ask the question, you're never going to get the answer.

Ms. Catherine Fife: That's true, yes, and if you don't keep track of the data or share the data, then you don't have to respond to the data. Would you agree with that?

Mr. Gerard McDonald: Yes, we would.

Ms. Catherine Fife: That's the safety piece, which New Democrats actually feel is a very valid point, on the safety point.

The ministry has gone through this exercise. We have this gigantic omnibus bill, with this portion contained within it. You heard the ministry say that this will provide businesses with $35 million in savings, throughout all these schedules. Who knows what the breakdown is for this particular piece?

You have been speaking with this government for years now on this piece of legislation. You responded to the cost, back in September, I think it was. The president—you—said, "The repeal would have been implemented without any expense to taxpayers and little cost to employers, since PEO had committed to offsetting almost half of the licensing fee of anyone required to be newly licensed as a result of the repeal." You go on to say, "PEO had also put in place a regulation to enable employers to transition over a one-year period."

Can you explain that? Because it seems to me that you're trying to at least meet the government halfway—or more than that—on cost.

Mr. George Comrie: Thank you for that question. We initiated a number of measures that were designed to try to minimize the impact on industry of repeal of the industrial exception when it was proclaimed.

You mentioned some of them. There were some fee remissions in terms of applications for licensure for people who were eligible for licensure but weren't already licensed. There were a number of consultations that were held with industry groups to try to talk about ways that they could put themselves in compliance with our act once the proclamation would take place, and so on. We certainly went out of our way to try to minimize the impact because we don't want to cause disruption to Ontario industry. That's not our intent.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it.

We shall move to the government: Mr. Anderson?

Mr. Granville Anderson: Thank you for your presentation this afternoon. Just for the record, I want to make it absolutely clear: For all three parties, all of us, safety is our number-one concern. We wouldn't want to do anything that would jeopardize any worker. That's why we have a Ministry of Labour. They look into that. Safety is paramount.

Having said that, have you discussed your concerns about the industrial exception with the manufacturing industry, and if so, what was their response?

Mr. Gerard McDonald: Yes, we've been talking—or attempting to talk, I should say—with the manufacturing industry since before the Open for Business Act, which was passed in 2011. Their response has been simply not to talk.

When I took responsibility for this position, one of my first actions was to meet with the Canadian Manufacturers and Exporters and say, "Look, we've got some big differences here in the figures. You're saying it's costing $200 million; we're saying it's costing $2 million. Surely we can get together and try to drill down on what the right numbers are."

Our goal was to find the truth. We were flat-out denied. We were told, "No, we're not interested in doing that. We seem to have the government's ear, so thank you very much. We'll approach it in that fashion."

Mr. Granville Anderson: Okay. That's enough questions for me. I don't know if any of my colleagues would like to add anything.

Mr. Mike Colle: Yes.

The Chair (Mr. Grant Crack): Mr. Colle.

Mr. Mike Colle: We will be asking those questions—when is the next day? When do the industrialists come before us?

Mrs. Cristina Martins: Tomorrow.

Mr. Mike Colle: Tomorrow, we'll ask those questions.

Mr. Gerard McDonald: Yes, I can give you the exact date of the meeting, if you like.

Mr. Mike Colle: We'll follow up about their costs and about their refusal to—

Mrs. Cristina Martins: Talk.

Mr. Mike Colle: —to talk. We will pose those questions to them tomorrow. Thank you for bringing that up.

The Chair (Mr. Grant Crack): Thank you very much, all, for coming before committee this afternoon. Much appreciated. Thanks for taking the time.

Mr. George Comrie: Thank you, Mr. Chair.

TORONTO COMMERCIAL ARBITRATION SOCIETY

The Chair (Mr. Grant Crack): Next on the agenda, which will take us almost till the end of the day, we have the Toronto Commercial Arbitration Society with us this afternoon. I believe we have three members: Mr. William G. Horton, Ms. Janet Walker and Mr. Joel Richler. We welcome you. You have up to 10 minutes for your presentation to committee, followed by nine minutes of questioning, three from each of the parties. The floor is yours. Whenever you are ready to commence, please feel free. Welcome.

Mr. Bill Horton: Thank you very much, Mr. Chairman. I'm Bill Horton. I'm just going to take a few seconds to let you know who you have in front of you. On my far left is Joel Richler. In the middle is Professor Janet Walker. We are all members of the Toronto Commercial Arbitration Society, on whose behalf this submission is made.

Just by way of a very brief orientation as to who we are as individuals, Joel Richler and I have each practised for well over 35 years in the range of commercial dispute

resolution, including litigation, arbitration and mediation. Currently, both of our focuses are on arbitration. Joel is the author of a forthcoming book on arbitration, and I am the editor-in-chief of the Canadian Arbitration and Mediation Journal, just to give you a little flavour of that.

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The presentation that we will be making will be made by the third member of our delegation, Professor Janet Walker, so I'll say a bit more about her. Professor Walker is a professor and former associate dean of Osgoode Hall Law School. She has served as a sole arbitrator, co-arbitrator and chair in international arbitrations. She's a fellow of the Chartered Institute of Arbitrators and a member of the International Law Association committee on international commercial arbitration. She's the author of two leading textbooks on private international law and conflicts of laws that are recognized internationally. She has also served as the common-law adviser to the Federal Court and Federal Court of Appeal rules committee. Again, that's just a very small sampling of Professor Walker's qualifications, I assure you, but certainly she is recognized as one of the leading Canadian experts in international arbitration law.

You have our written submission, and we also have attached an annex to that, which is a report by Charles River Associates. In terms of our oral submissions, that will be presented by Professor Walker now.

Dr. Janet Walker: Thank you very much. I'm not sure if this microphone is working.

Interjection: It is.

Dr. Janet Walker: Ah, good.

Thank you very much for allowing me to speak in support of this statute, this new act. The International Commercial Arbitration Act that we have, and the one that we hope to have, regulates the relationship between courts and international commercial arbitral tribunals. It's an essential feature of any modern international commercial arbitration regime.

Just two words of clarification about the act, and then I'll make a few comments.

(1) This act deals with international commercial arbitrations, so it does not speak to the many very effective local commercial arbitrations which you see operating very effectively in conjunction with our civil justice system. It deals with business disputes between Canadian businesses and foreign businesses, or between foreign businesses that are seated in Ontario.

(2) It deals with commercial arbitration. You will have heard many recent discussions and debates about important issues that arise in the area of family law or investor-state disputes. Those are not touched by this act. This act deals with regular commercial disputes between private parties. So that discussion is a different discussion for another day.

Three comments on the act: The first one deals with development of the act itself, both the UNCITRAL model law on international commercial arbitration that is a schedule to the act, and the implementing statute itself.

First, the model law: It was the product of the UNCITRAL working group on international commercial arbitration—six years of debate and discussion between the years 2000 and 2006 between representatives from countries around the world, including Canada, in which the various nuances and details of a more modern statute were discussed and debated. It represents a very broad consensus of the countries of the world. It's now being adopted widely by many of our trading partners and those that people in Canada do business with. It has been vetted thoroughly.

The statute itself has also been vetted thoroughly through a consultation process that is among the most extensive that I have seen of the Uniform Law Conference of Canada. Almost every arbitration practitioner, user of arbitration, counsel in arbitration and arbitrator had the opportunity and was engaged in this process. It represents, again, a very broad consensus of those who are in the international commercial arbitration community in Canada. We have been around this act. We have kicked the tires. We've looked at it up and down. It is ready to be implemented.

Secondly, the changes that it contains, the revisions and updates on the old model law and the old implementing statutes, are relatively few in number. They will not affect the basic functioning of international commercial arbitration in Ontario, but they nevertheless represent important, although technical, updates.

I will give you the examples, and there are not many of them.

First, the old statute, when it was adopted, involved repealing the statute that had adopted the New York Convention. It was always my view that any concerns that this raised were a misconception. Ontario continued throughout that time to adhere to the New York Convention. It was not offside our international obligations. Nevertheless, there was some controversy, some uncertainty about that, and this statute corrects that by including the New York Convention as a second schedule to the act.

In addition, this new act adopts, along with the new model law, a regime for interim measures that provides a necessary and important additional feature of the arbitral process. Again, interim measures were being sought and were being granted before, but this provides a complete and clear regime for them.

In addition to this, the new model law also contains an updated version of the writing requirement. Arbitration agreements must be in writing under the New York Convention, and this new statute updates that requirement and makes it fit for purpose in the electronic era.

These changes are not changes that will cause concern, but they are necessary changes to keep our act at the forefront of the field.

That brings me to the third and, I think, the most important feature of the act itself. Implementing this act demonstrates that we in Ontario are at the forefront and will continue to be at the forefront of the field. In doing that, we make Ontario a friendly, welcoming, safe and

attractive seat for international arbitrations. By persuading those around the world to choose Ontario as a seat, we are enhancing our stature around the world, we are improving our opportunities for engagement in that work by legal professionals, experts and others in Canada and in Ontario, and we are also promoting local business.

If I could suggest to you, a typical international arbitration hearing looks much like this, except there is only a bench at one end for the tribunal. Along each side, there will be any number between 10 and 20 or more professionals, both counsel, experts, fact witnesses and party representatives. If you can imagine most of them coming from elsewhere, then you can immediately see, over the span of one week, two weeks or three weeks of a hearing, what sort of business that brings to Toronto or to whatever seat is chosen in Ontario in the way of hotels, restaurants, taxis and other local businesses.

It is a good act. It is well constructed, it does not present any challenges as far as we are concerned, and it is good for business. It's good for our stature. We encourage you to look favourably upon it.

We're happy to answer any questions that you might have.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Well, thank you very much, Ms. Walker. I have to tell you, I don't know if you know how rare this is, that people come to this committee and say, "This is great." But it's refreshing. I'd like it to happen more.

I do appreciate the fact that your study also gives an economic impact to the city of Toronto and cites that impact. That's valuable information for us to have.

For us, though, it is unfortunate that it's embedded in a huge omnibus bill, because it is a well-crafted schedule and it's needed on the whole. But I do want to thank you for giving us the research and the evidence to support your claim so that we really do believe you. Thank you very much.

The Chair (Mr. Grant Crack): Ms. Martins.

Mrs. Cristina Martins: I just wanted to thank you all for being here today and for presenting. I've got one quick question and then will pass it to my colleagues, who have a couple of questions as well.

Part of the goal of your organization is to make Toronto a global destination for arbitration. The measures that we're taking, I guess, significantly support that goal. Can you allude to that just a little bit?

Dr. Janet Walker: Absolutely. In the summer of 2015, the Chartered Institute of Arbitrators presented a series of principles on safe seats. Those were seats of arbitration, which ultimately often become hearing places for arbitrations, that are recommended for countries around the world, some that are already very successful seats and some that aspire to be that.

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One of the essential features of that is a good international arbitral regime. That's what this statute does. It achieves a very strong and effective relationship between courts and international arbitral tribunals so that the work of one supports the other.

Mrs. Cristina Martins: Thank you very much.

Madame Des Rosiers?

M^me^ Nathalie Des Rosiers: My question is about the future. There is, within the convention, the ability for the secrétaire général to evaluate how the convention is working and whether it is required to be amended or adapted to new circumstances.

My question is, do you envisage how these future amendments to the convention would be incorporated into our practice here?

Dr. Janet Walker: Amendments to the New York Convention are a tremendous challenge. It has been one of the most successful international treaties ever, with more than 150 signatories. But then to amend it requires potentially a huge level of engagement and consensus the world over.

What I have to say is, if and when amendments are made and there is a need, then we would have to come back and consider new legislation. I don't see that as coming up.

But I should just add one point, and that is that the practice of international commercial arbitration includes within it huge opportunities for parties to customize and tailor their regime to suit their own needs. Those happen in their choice of an administering body and their own arbitral agreements. So there is no concern that this would soon become out of date.

Mr. Bill Horton: I'll just add briefly that the legal community being what it is, and the international legal community being what it is, there are always lots of good ideas floating around. Therefore, there are always lots of opportunities to include other details. Those tend to be fiercely debated. The bright idea that comes along today may be argued against by someone else halfway across the world.

It's really important—two things—first, that the process of evaluating all those ideas goes on, but also that it goes on within some sort of framework that provides for a consensus to emerge. In the case of this legislation, we've had two consensuses. We had the international consensus, and then we had the national consensus through the ULCC process. As you know, all of the provinces are represented on the ULCC.

Therefore, I think it is important that there be a generation of additional ideas, but it's also important that we act on the consensus when the consensus emerges.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the official opposition: Ms. Munro.

Mrs. Julia Munro: Actually, I think my question just got answered. But I wanted to circle around the issue in terms of stepping into this international role. Obviously, when you referred to the workings of it, to me it seems mandatory in today's trade world that those kinds of facilities are there for people to take advantage of them.

Having said that, is there a proliferation around the world in terms of people wanting to be part of this or

provide new ideas or competition? Can you stay number one long?

Dr. Janet Walker: If I—

Mr. Joel Richler: Go ahead, Janet.

Dr. Janet Walker: Sorry, if I could say very quickly—we travel the world and hold our heads high by saying that Canada was one of the first adopters of the original model law on international commercial arbitration. It has been adopted by more than 70 countries. Most of the places where most of the people would want to do business have adopted the model law, or in some cases, like England, the United States, France and Switzerland, they had their own statute ahead of that time. But apart from that, it's been a very successful and widely adopted statute, and that's one of the reasons why it's important for us to stay in tandem with the other countries that have done so.

Mrs. Julia Munro: Would you be always looking at a certain-sized business? Can you explain who would come into that arbitration process? I'm assuming you would have to have deep pockets and be fairly sophisticated.

Mr. Joel Richler: That's not necessarily true. Arbitration is not cheap, but there's no limitation in terms of—you could have an arbitration for a very small amount of money that would fall under this regime. What makes it fall under this regime is where the parties come from. If you have a small Canadian business doing business with a large American corporation, if there's an arbitration provision and there's a dispute, that dispute could very well be seated in Toronto and Ontario. So it really has nothing to do with deep pockets, necessarily.

But one thing I would add to what Janet said, if I may, is that Canada, I believe, was one of the very first countries to adopt the original version of the model law, shortly after 1985. Bringing ourselves into coordination with the most current iteration of the model law, which is now over 10 years old, is necessary for that reason as well, so that we keep current. We were one of the cutting-edge countries in terms of adoption. It's important that we keep that going.

Mrs. Julia Munro: Oh, yes. I would think so. Thank you.

The Chair (Mr. Grant Crack): Thank you to the three of you for coming before committee this afternoon. Much appreciated.

Mr. Joel Richler: Thank you.

The Chair (Mr. Grant Crack): Prior to adjourning: There was a question raised by our colleague Ms. Fife concerning what I would categorize, perhaps, as a recall of a witness. I did take the time to review the order from the House, which was quite clear that all witnesses were scheduled on a first-come, first-served basis. As such, I can't find that there's a provision in the order of the House that would allow for the recall of a witness that has already come before committee. As such, we will continue tomorrow as scheduled. I believe we have two delegations, starting at 9 a.m.

I want to thank everyone for their hard work this afternoon. You did great. Everyone else, thanks for being here. Have a great evening.

This meeting is adjourned.

The committee adjourned at 1757.

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